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To:

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From:

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Subject: ZChOUN-ZPUHVR Negotiations

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1. The ZChOUN is perfectly aware that we favor unification of the revolutionary organizations in order to effect secure contacts with the homeland; it is also aware that double lines help no one but the bolsheviks. No doubt it is positive that the British will not give-up their assets and it is equally sure that we would be reluctant to give up ours. Realizing that a single line of communication is absolutely essential, it is now in the process of picking out its "ally".

2. Pro-British Wing

Many ZCh members, with STETSKO at the head, are strongly pro-British and equally strongly anti-American. The reasons for these feelings are quite obvious: The British have been interested in Eastern European affairs for a long time and for that reason seem to understand the problems and aspirations of the non-Russians in the Soviet Union. Although they promise nothing, they are very encouraging. The Americans, on the other hand, appear to lack an understanding of the nationalities problem in the Soviet Union. The Ukrainians have been given absolutely no encouragement beyond the vague principles of "self-determination". Granting even this, the only real manifestation of U. S. foreign policy have been the V.O.A., S.O.N.R. and statements of government officials. To the Ukrainians, V.O.A. and S.O.N.R. are nothing but reflections of pro-Russian sentiments of the "State Department". The public statements by government officials have been discouraging too, except for the nowfamous, Acheson, "new realism" speech. It is plain, then, who the "ally" should be, despite the fact that the British do not give as much monetary support as would be desired.

Pro-American Wing

KORDIUK, LENKAVSKY, and MATLA form the nucleous of the pro-American, pro-ZPUHVR faction. Their motivation for this is double:

a. They feel that ZPUHVR has been more correct in its relations with the homeland than has ZChOUN; or putting it in the negative, the ZCh has been more incorrect than ZPUHVR. The ZCh has been totalitarian in its philosophy despite the democratic Resolutions of the Third Extraordinary Congress of 1943; and although BANDERA has

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accepted the <u>Resolutions</u>, they probably feel that this acceptance has been motivated by pragmatism rather than idealism.

b. Although the pro-American faction is not satisfied with American foreign policy, they feel, nevertheless, that the U.S. will "see the light" someday and will then grant political concessions to the non-Russian peoples. In the meantime, however, they believe that despite the fact that the overt U.S. policy is not favorable to national aspirations, ZPUHVR has, nevertheless, more political concessions from the U.S. than ZCh has from the British. They also feel that with the growth of understanding of the Eastern European problem, these concessions will increase to full recognition of national aspirations. Besides this they realize that U.S. power is on the up-swing and that in the post-war world little will be accomplished without U.S. concurrence. Therefore, it is only logical that they should cooperate with us.

4. The "new" opposition in the ZCh is not new at all. LENKAVSKY, member of homeland OUN Provid, and KORDIUK, editor of Samostiynyk have been the "opposition" for a good many years. (The reasons for their opposition are not fully known at headquarters). It is significant that at this time these men, and MATLA (member of ZCh Provid) should repudiate the February letter written by STETSKO. If, however, one considers that a ZChOUN Great Congress to be held in Munich is imminent, the fact that these men approached HRINIOCH does not seem particularly surprising. It is fairly evident that they are trying to gather enough ammunition to start a revolution at the meeting.

PIDHAINY

This man is the ZCh Referent for Homeland Contacts. He is very familiar to us because of his "lack of security". There is not enough information at headquarters to pass judgment on the man, but it seems logical to assume that he did not rise to his present position because he is known for a loose tongue. It can further be stated with some assurance that the Ukrainian's - especially the interested individuals - are perfectly aware of the fact that CAPELIN is in our employ. The question then arises why PIDHAINY should divulge the information on ZCh-British operations to CAPELIN. wanted the ZP people to know, he would - it seems - give them the information directly. And if that were his motive, he certainly wouldn't have given CAPELIN a full and detailed report on the ZP-ZCh meetings last January. It appears fairly evident, then, that he intended the information to reach us. But then the second question arises: Why did he and/or his superiors want us to keep abreast of the ZCh-British and ZCh-ZP affairs? The latter is self-evident: should be aware of how "double-dealing" ZP is and how "honest and

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straight forward" the ZCh is. Why PIDHAINY should want us to know of ZCh-British moves is a little more difficult to fanthom. It seems logical, however, that ZCh would want to impress us with the quality and quantity of their assets - to show that in both respects they are superior to the ZP and therefore we should cooperate with them. If this is so, is PIDHAINY acting on his own or is he prompted by someone else, perhaps BANDERA himself? It would be dangerous to underestimate this activist, "bandit chieftain", as the Soviets fondly refer to him.

6 STETSKO

STETSKO is allegedly the "brains", the architect, the intellectual, the planner - his life is dedicated to one cause: A free Ukraine. reach his goal he will undergo untold hardships and privations; he could be honest in only one respect: Furthering the cause. Being a thinker, and operating on the proposition that the end justifies the means, STETSKO may conceivably be the father of the present maneuvering. He realizes that it would be much better if the revolutionary cause were backed by two world powers. Although that is the case now, he knows that the ZCh assets are so much greater than those of the ZP that there is really no comparison. It then follows that the more powerful organization should get the support; but the U.S. has been adamant in its condemnation of "OUN/BANDERA", therefore it is essential to tailor ZCh policy to suit the U.S. Once the ZCh has U.S. support, STETSKO will have realized his "two-power theory". As chief of ABN he has British "unofficial" support but can draw on ZCh assets; in the meantime, we would be backing the ZCh and drawing on their assets also. Everybody would be happy.

7. The British

It would not be at all surprising if the British approved, or even developed, a plan of this sort. Through their study of the documents brought out in 1950 they may have come to the conclusion that ZPUHVR is politically in the right. In order that they not be blamed later for backing the wrong "horse", this may be their way of "giving" us BANDERA. They have everything to gain and nothing to lose:

- a. Through the ABN they have access to ZCh manpower;
- b. By agreement with us they have access to any intelligence we gather;
- c. By backing only the ABN, their costs are reduced.



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8. Recommendations

- a. It seems indicated that we ought to let this "split" take its normal course. If the pro-American faction wins out, we will gain access to the ZCh assets. According to some of the people who have been coming from the field, ZPUHVR does not have too much choice of manpower anymore; this, to some extent, is borne out by the individuals which were furnished for the ELOPE P/A school. It should further be kept in mind that the BANDERA followers are predominantly young men, revolutionaries, and very highly motivated individuals. For these reasons we should develop a favorable policy towards cooperation with BANDERA.
- The name "BANDERA" is somewhat more than frowned at by certain quarters of this Agency, as well as the State Department. The undersigned holds no brief for BANDERA but it should not be forgotten that his name is held up as a symbol of revolutionary activity, not only in the Ukraine but throughout the Soviet Union and there have been reports confirming this. Although in the homeland the UHVR-UPA-OUN complex considers itself independent and democratic, correspondence addressed to BANDERA is still titled "to the leader". Regardless of what we may officially think of BANDERA and his past or present activities, it should always be kept in mind that his organization is a veritable army of potential agent recruits. For these reasons it is indicated that action be taken by this Agency, in conjunction with the State Department, to accept the ZChOUN into our "fold", should this eventually present itself. Accepting BANDERA's cooperation with us need not be considered as "double crossing" the British since we are not the ones who are taking the initiative in this - it is the ZChOUN itself which wants cooperation with us. If the situation were reversed, there is little question that the British would accept ZPUHVR cooperation without too much compunction.



